

IHCDA CDBG 2014 OOR Application Packet

Application Process

Overview

The purpose of this application is to provide subsidies in the form of grants to selected applicants for the rehabilitation of owner-occupied housing for low and moderate-income people. Through this program, IHCDA seeks to improve the quality of existing housing stock in Indiana.

This program is designed to allocate Community Development Block Grant funds to be used for Owner-Occupied Repair (CDBG OOR) among selected applicants having projects that meet the requirements of the program and IHCDA's goals for the program:

1. Demonstrate they are meeting the needs of their specific community.
2. Attempt to reach low and very low-income levels of area median income.
3. Are ready to proceed with the activity upon receipt of the award.
4. Propose to revitalize existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan).
5. Propose projects that promote aging in place strategies for seniors, families with seniors, and persons with disabilities.
6. Propose projects that promote healthy family strategies for families with children under the age of 18.
7. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure.
8. Propose the use of Minority Business Enterprise and/or Women-Owned Business Enterprise and Indiana contractors, employees, and products when applicants are planning and undertaking their housing activities.

In addition, IHCDA encourages the use of Minority Business Enterprise and/or Women-Owned Business Enterprise and Indiana contractors, employees, and products when applicants are planning and undertaking their housing activities.

Funding Round Timelines

Note: This is an anticipated schedule and is subject to change or extension.

Round 1

Application Webinar	July 31, 2014
Application Due Date	August 29, 2014
Award Announcements	October 22, 2014

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Application Webinar

An application webinar will be conducted prior to each application deadline. During the webinar, the IHCDa Real Estate Production Department staff will describe the requirements of the CDBG OOR program, threshold and scoring criteria, how to complete the required forms and how to utilize the FTP site. Local Units of Government and Not-for-Profit entities intending to apply are *required* to attend.

Technical Assistance

The applicant may, but is not required, to schedule a technical assistance meeting with its regional IHCDa Real Estate Production Analyst to discuss both the proposed project and IHCDa's application process. Technical assistance may be required at IHCDa's discretion if the recipient does not have experience with IHCDa awards or if past performance was poor. Applicants are urged to contact its Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

Application Submission

The applicant must submit the following items to IHCDa's Real Estate Department Coordinator:

- Via FTP site:
 - One completed copy of the final application forms
 - All supporting documents required in the tabs
- Via hard copy:
 - One completed copy of the final application forms with original signatures

All required application items are due no later than 5:00 p.m. Indianapolis time on or before the due date. Applications received after the deadline will be returned to the applicant via certified mail. Faxed applications will not be accepted.

Instructions on how to utilize the FTP site will be explained during the Application Webinar. The hard copy of the final application forms should be sent to:

Indiana Housing and Community Development Authority
ATTN: Real Estate Department Coordinator
RE: CDBG OOR Application
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

All applicants must retain a copy of this application package. Applicants that receive funding will be bound by the information contained herein.

IHCDA will send an email confirmation to the applicant contact within one week of submission notifying the applicant of receipt by IHCDA. Please notify Gretchen Fisher at grfisher@ihcda.in.gov if the applicant would like to add an additional contact person for communications regarding the 2014 CDBG OOR application.

Application Review

Each application must address only one project. Applications are reviewed in a three-step process:

- | | |
|--------------------------------|--|
| <u>Step One</u> - Completeness | On or before the application deadline, the applicant must provide all required documents, signatures and attachments. |
| <u>Step Two</u> - Threshold | The application must meet each of the applicable threshold criteria. |
| <u>Step Three</u> - Scoring | Applications that pass the completeness and threshold reviews are then scored according to IHCDA's published scoring criteria.

IHCDA will release a preliminary score sheet to allow applicants an opportunity to provide feedback as to where supporting documentation might be located within the application file or provide clarification to any formulas used to calculate points. Please note that IHCDA will not allow any new documentation to be submitted after the initial application is submitted. |

After threshold and scoring review, IHCDA staff may contact an applicant to request clarification of information contained in the pending application. The applicant will have the opportunity to respond on or before the due date provided by IHCDA. If the applicant does not respond to the clarification letter and therefore threshold and/or scoring item(s) are still in question, the application will be disqualified. Applications may have no more than three outstanding threshold and/or scoring clarifications after the second review or the application will be disqualified. Points will be awarded to those applications where no clarifications are required.

Funded applications will be announced at the published IHCDA Board Meeting date. Confirmation letters and score sheets will be uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications that are not funded will be notified by IHCDA via a denial letter and score sheets being uploaded to the FTP site by the close of business on the day of the Board Meeting. Applications not funded will not be rolled over into the next funding round.

Minimum Score Requirement

An application must score at least 70 points to be considered for funding.

CDBG & HOME Program Manual 3rd Edition

The CDBG & HOME Program Manual outlines the requirements for administering IHCDA's CDBG awards. A complete copy of the CDBG & HOME Program Manual is available on IHCDA's website here:
[http://www.in.gov/myihcda/files/CDBG and HOME Program Manual 3rd Edition.pdf](http://www.in.gov/myihcda/files/CDBG_and_HOME_Program_Manual_3rd_Edition.pdf)

Award Compliance Trainings

IHCDA will offer a training to explain the various aspects of the regulatory requirements for administering the award. Topics covered will include funds management, required record keeping, and forms and reports that must be submitted to IHCDA. In addition, IHCDA staff will be available to provide one-on-one award trainings upon request. All new applicants and those who have had difficulty administering awards in the past are strongly encouraged to take advantage of these trainings.

Eligible Applicants

Community Development Block Grant (CDBG)	Cities, Town, and Counties (Non-CDBG Entitlement Community)	Community Housing Development Organization (CHDO)	501(c)3 and 501(c)4 Not-for-Profit Organizations	Joint Venture Partnerships	For Profit Entities organized under the State of Indiana
Owner-Occupied Rehabilitation	X	Not eligible.	Not eligible.	Not eligible.	Not eligible.
Community Development Block Grant Disaster (CDBG-D)	Cities, Town, and Counties (Non-CDBG Entitlement Community)	Community Housing Development Organization (CHDO)	501(c)3 and 501(c)4 Not-for-Profit Organizations	Joint Venture Partnerships	For Profit Entities organized under the State of Indiana
Owner-Occupied Rehabilitation	X	Not eligible.	X	Not eligible.	Not eligible.

CDBG OOR Funds

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of CDBG entitlement communities and whose proposed activities are consistent with the State's HUD-approved Consolidated Plan. Not-for-profit 501(c)3 or 501(c)4 organizations, CHDOs, public housing authorities, regional planning commissions, or townships are encouraged to participate in activities as subrecipients of local units of government but must apply through a sponsoring eligible city, town, or county.

The following entitlement communities are not eligible to apply for CDBG funds:

Anderson	East Chicago	Gary	Indianapolis**	LaPorte	New Albany
Bloomington	Elkhart	Goshen	Kokomo	Michigan City	South Bend
Carmel	Evansville	Hamilton County*	Lafayette	Mishawaka	Terre Haute
Columbus	Fort Wayne	Hammond	Lake County	Muncie	West Lafayette

*The Town of Sheridan excluded when the housing activity is outside of Hamilton County. The Town of Arcadia is excluded.

**Excluding the Marion County Cities of Beech Grove, Lawrence, Speedway, and Southport. The Town of Cumberland is excluded when the housing activity is outside of Marion County.

CDBG Disaster OOR Funds

Eligible applicants include not-for-profit 501(c)3 or 501(c)4 organizations, cities, towns, or counties that are located in Indiana, whose proposed activities are consistent with the State's HUD-approved Disaster Plan and are NOT located in the one of the following ineligible CDBG Disaster (CDBG-D) counties:

Blackford	Clinton	Delaware	Howard	Lagrange
Miami	Steuben	Tipton	Warren	Wells

Ineligible Applicants

IHCDA reserves the right to disqualify from funding any application that has either an applicant, subrecipient, administrator, preparer or related parties of any of the aforementioned has a history of disregarding the policies, procedures, or staff directives associated with administering any program administered by IHCDA or programs administered by any other State, Federal, or affordable housing entities, including but not limited to the Indiana Office of Community and Rural Affairs, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, or the Federal Home Loan Bank.

Additionally, any entity currently on IHCDA's suspension or debarment list is ineligible to submit an application. IHCDA's Suspension and Debarment Policy can be found in the CDBG & HOME Program Manual Chapter 17.

Religious and Faith-Based Organizations

Organizations that are religious or faith-based are eligible to participate in the CDBG programs on the same basis as any other organization. Organizations that are directly funded under the CDBG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance. If an organization conducts such activities, the activities must be offered separately, in time or location, from the assistance funded under this part, and participation must be voluntary for the beneficiaries of the assistance provided.

A religious organization that participates in the CDBG program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct CDBG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities, without removing religious art, icons, scriptures, or other religious symbols. In addition, a CDBG-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents. An organization that participates in the CDBG program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

Eligible Activities & Program Requirements

Eligible Activities

This program is intended to have a long-term impact on the availability and quality of the affordable housing stock in Indiana. The program is intended for the rehabilitation of owner-occupied housing.

- To be eligible for owner-occupied repair (OOR), the homeowner beneficiary must be low-income and must occupy the property as a principal residence. A household owns a property if that household:
 - Has fee simple title to the property; or
 - Maintains a 99-year leasehold interest in the property; or
 - Owns a condominium; or
 - Owns or has a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
 - Maintains an equivalent form of ownership approved by HUD.
 - Ownership **does not** include life estates and land contracts/contracts for deeds.
 - The property cannot be located in a 100-year flood plain.
- Eligible repairs include:
 - Minor repairs which can include an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions, etc.
 - Any major household system repaired or replaced as part of the rehabilitation process must meet the stricter of the Indiana State Building Code or local building codes.
 - Funds may be used to remedy conditions that, while not posing an immediate threat to health and safety, represent an ongoing threat to the structural integrity of a building and may eventually result in an emergency situation.
- Rehabilitation of owner-occupied manufactured homes. Manufactured homes are eligible if they meet IHCDA's Manufactured Housing Policy or if rehabilitation will bring the unit up to these standards:
 - A single dwelling unit designed and built in a factory, installed as a permanent residence, which bears a seal certifying that it was built in compliance with the Federal Manufactured Housing Construction and Safety Standards law and which also complies with the following specifications:
 - Shall have been constructed after January 1, 1981, and must exceed nine hundred fifty (950) square feet of occupied space per I.C. 36-7-4-1106 (d);
 - Is attached to a permanent foundation of masonry construction and has a permanent perimeter enclosure constructed in accordance with the One and Two Family Dwelling Code;
 - Has wheels, axles and towing chassis removed;
 - Has a pitched roof;
 - Consists of two (2) or more sections which, when joined, have a minimum dimension of 20' X 47.5' enclosing occupied space; and
 - Is located on land held by the beneficiary in fee-simple title or 99-year leasehold and is the principal residence of the beneficiary.

- All other manufactured or mobile homes that do not meet the aforementioned criteria are ineligible to receive rehabilitation assistance funded by IHCDA.

Ineligible Activities

Eligible housing activities **do not** include:

- Creation of secondary housing attached to a primary unit;
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories;
- The provision of project-based tenant rental assistance;
- Rehabilitation of mobile homes;
- Acquisition, rehabilitation, or new construction if any part of a project or its land is located within the boundaries of a one hundred (100)-year floodplain. A flood determination must be provided for each parcel associated with the project.
- Rehabilitation of multi-family or single-family rental housing.

IHCDA **does not** fund:

- Requests from individuals, political, social, or fraternal organizations;
- Endowments, special events, arts, or international projects;
- Scholarships requested by individuals;
- Institutions that discriminate on the basis of race, color, national origin, sex, religion, familial status, disability, sexual orientation, or gender identity in policy or in practice;
- Projects in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities;
- Medical research or medical profit-making enterprises.

OOR Program Requirements

The proposed CDBG OOR project must follow these minimum requirements, and all other requirements laid forth in the CDBG & HOME Program Manual, to be eligible for funding. For further details on each requirement, please see IHCDA's CDBG & HOME Program Manual. The link and the appropriate chapter are included.

- Recipients must comply with all regulatory requirements listed in [24 CFR Part 570](#).
- The homeowner beneficiary must be income eligible. Each household must have an annual income equal to or less than 80% of the area median family income for the target area. The HUD Part 5 definition of income applies. (IHCDA [CDBG & HOME Program Manual](#), Income Verification Chapter 8)
- Each homeowner beneficiary assisted with CDBG-D funds must execute a Duplication of Benefits Affidavit ("Affidavit") a copy of which will be attached to the applicant's award agreement with IHCDA as Appendix A. This Affidavit must be maintained in the applicant's client files.
- Income verification is valid for a period of six months. If more than six months pass between income verification and contract execution a new income verification will be completed. (IHCDA [CDBG & HOME Program Manual](#), Income Verification Chapter 8)
- The homeowner beneficiary must own the property and must occupy the property as a principal residence. (IHCDA [CDBG & HOME Program Manual](#), Policy Requirements Chapter 1)

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- If there is a long-term lease agreement on the property, a 99-year lease must be recorded in the county recorder's office of the county in which the property is located prior to award document preparation.
- Ownership does not include life estates and land contracts/contracts for deeds.
- All IHCDA-assisted units must be inspected twice during the award period. The first inspection will occur at the completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The second inspection will be conducted upon completion of the construction for the award. The IHCDA Inspector will conduct the physical inspections. (IHCDA [CDBG & HOME Program Manual](#), Construction Standards & Physical Inspections Chapter 14)
- Provide a minimum of two (2) public hearings, each at a different stage of the process, for the purpose of obtaining citizens' input and responding to proposals and questions. (IHCDA [CDBG & HOME Program Manual](#), Policy Requirements Chapter 1)
- The match/leverage requirement for both the CDBG and CDBG-D programs is ten percent (10%) of the total amount of CDBG or CDBG-D funds drawn minus administration costs. (IHCDA [CDBG & HOME Program Manual](#), Policy Requirements Chapter 1)
- All applicants are required to complete the environmental review record (ERR) and submit it with application submission as an application Threshold item. The resulting IHCDA Release of Funds is required before fully executed award documents are released and before proceeding with the project. (IHCDA [CDBG & HOME Program Manual](#), Environmental Review Chapter 11). For more information, contact the IHCDA Design and Construction Review Manager.
- Award recipients will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award. Additionally, owner-occupied rehabilitation must also stipulate that adequate property insurance be maintained throughout the affordability period. (IHCDA [CDBG & HOME Program Manual](#), Procurement Procedures Chapter 10)
- The recipient must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the CDBG award. (IHCDA [CDBG & HOME Program Manual](#), Procurement Procedures Chapter 10)
- Each recipient of a CDBG award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed. (IHCDA [CDBG & HOME Program Manual](#), Lead Based Paint Chapter 2)
- Each recipient of a CDBG award is subject to the requirements of the Uniform Relocation Act. See the IHCDA's [CDBG & HOME Program Manual](#) Chapter 4 on URA for guidance on the regulatory requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, the Federal regulations at [49 CFR Part 24](#), and the requirements of [Section 104\(d\) of Title I of the Housing and Community Development Act of 1974, as amended](#).
- Every recipient must demonstrate that it will complete an action to affirmatively further fair housing during the time frame of an award. (IHCDA [CDBG & HOME Program Manual](#), Fair Housing and Civil Rights Chapter 5)

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- Recipients receiving \$200,000 or more in construction funding from all CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects. (IHCD [CDBG & HOME Program Manual](#), Section 3 Chapter 7)
- All CDBG and CDBG-D subsidies must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCD. The affordability period begins after project completion. During the affordability period the home must remain the owner's principal place of residency; and the homeowner is required to maintain adequate homeowner insurance on the property. (IHCD [CDBG & HOME Program Manual](#), Lien and Restrictive Covenants & Affordability Requirements Chapter 15)

Amount of CDBG or CDBG-D subsidy per unit:	Affordability Period
Under \$5,000	1 year
\$5,000.01 - \$10,000	2 years
Over \$10,000.	3 years

- If the homeowner sells the property to another a low-income family that will use the property as its principal residence throughout the remainder of the affordability period, the homeowner will not be required to repay the funds. The term "low income family" shall mean a family whose gross annual income does not exceed eighty percent (80%) of the median family income for the geographic area published annually by HUD. The purchasing family should pay no more than twenty-nine percent (29%) of its gross family income towards the principal, interest, taxes, and insurance for the property on a monthly basis. The homeowner selling the property will be allowed to receive a fair return on investment, which will include the homeowner's investment and any capital improvements made to the property. The award recipient must execute a lien and restrictive covenant prepared by IHCD. The award recipient is ultimately responsible for repaying IHCD any CDBG or CDBG-D funds invested into any unit that does not meet the affordability requirements throughout the Affordability Period. The Affordability Period is based upon the total amount of CDBG or CDBG-D funds invested into the unit. (IHCD [CDBG & HOME Program Manual](#), Lien and Restrictive Covenants & Affordability Requirements Chapter 15).
- Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient persons" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds by LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the

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project, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.

Subsidy Limitations & Eligible Activity Costs

Subsidy & Budget Limitations

The maximum request amount per application is \$350,000.

CDBG and CDBG-D funds may not exceed \$25,000 per unit.

Combined CDBG and CDBG-D funds budgeted for program delivery, award administration, and environmental review cannot exceed twenty percent (20%) of the CDBG award.

Eligible Activity Costs

The bolded items listed below are included in the application budget. If you have a question about which line item an expense goes under, contact your IHCDA Real Estate Production Analyst.

RETAINAGE POLICY - IHCDA will hold the final \$5,000.00 of an award until the completion reports, leverage documentation, and closeout documentation is received and approved. Additionally, IHCDA will hold the final \$5,000.00 of an award until the final monitoring and final inspection have been completed and all findings and/or concerns associated with them have been resolved.

REHABILITATION – Eligible costs include:

- Hard costs associated with rehabilitation activities for owner-occupied repairs. Examples of eligible repairs are an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions, etc.
- Lead-based paint interim controls and abatement costs.
- Mold remediation.
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety. Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served.

PROGRAM DELIVERY - Program delivery costs are those costs that can be directly tracked by address. They include soft costs and client-related costs that are reasonable and necessary for the implementation and completion of the proposed activity. This line item along with administration and environmental review cannot exceed twenty percent (20%) of the CDBG request. Recipients are allowed to draw down this line item as costs are incurred. Additionally, program delivery may be used to payoff a HOME CHDO Predevelopment or CHDO Seed Money loan but may not exceed the twenty percent (20%) line item cap.

Eligible	costs	include:
<ul style="list-style-type: none"> • Engineering/Architectural Plans • Credit reports • Client in-take / Income verification • Plans, specifications, work write-ups • Credit reports 	<ul style="list-style-type: none"> • Title Searches • Impact fees • Inspections • Cost estimates • Building permits 	

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- Recording fees
- Demolition permits
- Travel to and from the site
- Legal and accounting fees

RELOCATION - This includes relocation payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, nonprofit organizations, and farm operations where assistance is required and appropriate. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket expenses for temporary relocation purposes. For additional information on relocation and displacement, please refer to the information provided in the IHCD's [CDBG & HOME Program Manual](#).

LEAD HAZARD TESTING – Costs associated with lead hazard testing includes Risk Assessment, Clearance Test, etc. The limits for this line item are \$1000.00 per unit.

ADMINISTRATION - The administration line item includes those costs directly related to administering the IHCD award and complying with the regulations associated with these funds. This line item along with program delivery and environmental review cannot exceed twenty percent (20%) of the CDBG request and generally is between \$5,000 and \$10,000. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCD are not eligible for reimbursement through a CDBG award.

Eligible costs include:

- Postage
- Office materials and supplies
- Photocopying
- Office rent and utilities
- Travel related to the housing activity
- Communication costs
- Lead based paint training
- Staff time or professional services related to reporting, compliance, monitoring, or financial management
- Training related to the housing activity

ENVIRONMENTAL REVIEW – This line item includes expenses associated with the Environmental Review Release of Funds process. This does not refer to a Phase I Environmental Assessment. Those expenses should be included in the Program Delivery line item. This line item along with program delivery and administration cannot exceed twenty percent (20%) of the CDBG request. Eligible costs for this line item are generally between \$2,000 and \$5,000 and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 of the IHCD CDBG & HOME Program Manual or contact Adrienne Schmetzer, IHCD Design and Construction Review Manager.

Ineligible Activity Costs

- Commercial development costs - CDBG awards cannot be used to underwrite any portion of commercial development costs.
- Replacement Reserves – Funds used to initially capitalize a reserve fund used for major capital repairs to a permanent supportive or rental housing facility. These funds cannot be applied to a

CDBG award. These funds can be capitalized either through operating cash flow or through the development budget on the Uses of Funds exhibit.

- Operating Reserves – Funds used to initially capitalize a reserve fund that covers operating expenses when there are rental income shortfalls over the life of a permanent supportive or rental development. This line item must be included on the Uses of Funds exhibit. These funds cannot be applied to a CDBG award.
- Developer's Fee – CDBG funds cannot be used to pay developer's fees.
- Costs associated with preparing an application for funding through IHCD.
- Purchase or installation of luxury items, such as swimming pools or hot tubs.
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers.
- Purchase or installation of stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners.
- Providing tenant based rental assistance.
- Mortgage default/delinquency correction or avoidance.
- Loan guarantees.
- Annual contributions for operation of public housing.
- Costs associated with any financial audit of the recipient.

Completeness & Threshold Criteria

Each proposed project must satisfy the Federal requirements of the CDBG OOR program and any additional requirements established by IHCD. To be considered for funding, an applicant must meet all of the criteria listed below.

Completeness

Timeliness – All documentation must be turned in by the application due date.

- On or before the application deadline, the applicant must provide all documentation as instructed in this Application Process Handbook as well as required documentation listed in the CDBG OOR Application Form.
- If IHCD requests additional information from the applicant, all requests are due on or before the date provided by IHCD staff.
- Any forms that are late will be denied review and will be sent back to the applicant.

Responsiveness – All questions must be answered and all supporting documentation must be provided.

- The applicant must provide all documentation as instructed in this Application Process Handbook as well as required documentation listed in the CDBG OOR Application Forms.
- The applicant must provide all documentation as requested (i.e. uploaded or hard copies, labeled correctly, etc.)
- Required signatures must be originally signed.

Threshold

A separate Threshold & Scoring Checklist is provided for your guidance in successfully completing the CDBG OOR application. The checklist is available on the IHCD website by clicking here or following this link: <http://www.in.gov/myihcda/2429.htm>

- Complete instructions regarding the Threshold & Scoring Checklist are included in the document.
- After initial threshold review, IHCD staff may contact the applicant for further clarification of a threshold item. Failure to respond to the requested clarification items by the due date and in the manner requested may result in application denial.
- Supporting documentation for scoring categories will not have the opportunity to be submitted after the initial application submission.

Scoring

If an application meets all applicable requirements, it will be evaluated and scored based on:

Scoring Category	Points Possible
Project Characteristics	53
Readiness	10
Capacity	30
Financing	10
Completeness Bonus	5
Total Possible Points	108

When there is a scoring criteria based on the county being served and there are multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest whole number.

Project Characteristics **Category Maximum Points Possible: 53**

This scoring category describes the proposed OOR project. There are 50 total possible points for this scoring category. The points can be achieved through the following sub-categories: Constituency Served, Targeted Population, Comprehensive Community Development, and Services.

- 1) *Constituency Served* *Maximum Number of Points: 8*
If the development commits to serving beneficiaries in IHCD-assisted units with maximum incomes lower than required by the CDBG program and maintains housing costs at affordable rates, points will be awarded in accordance with the following chart. Percentages are of the area median income (AMI) for the county in which the development is to be located. Awarded recipients will be held to the unit commitment in their award agreement. Changes to the AMI levels will require prior IHCD approval.

Constituency Served	Points
20% of Population served at or below 40% AMI	8

- 2) *Targeted Populations* *Maximum Number of Points: 20*
Points will be awarded to applicants that target populations with special housing needs in accordance with the following charts. A project may address up to two types of populations in one OOR project and therefore may receive points from more than one chart. Details of the target populations can be found within this section. Specific definitions can be found in the Glossary.

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Target Population: Aging in Place	Points
100% of Population served 55 and Older and/or Disabled	20
1% - 99% of Population served 55 and Older and/or Disabled	10

Aging in Place (AIP) refers to making our living environment safe and adaptable so that everyone can remain independent and continue to thrive in their homes and community even as circumstances change. Therefore AIP not only refers to elderly persons but also to persons with physical and mental disabilities.

In order to receive points for AIP, OOR projects must satisfy the following criteria:

- Households will qualify for the AIP target population if there is at least one elderly person living in the home or if there is at least one physically or mentally disabled person living in the home.
- The modifications made to the home with IHCD OOR funding must be for accessibility, livability, and visitability.

Target Population: Families with Children	Points
100% of Population served is Families with Children	15
1% - 99% of Population served is Families with Children	5

- 3) *Comprehensive Community Development* *Maximum Number of Points: 13*
Projects with a Comprehensive Community Development focus are a part of a broader, more comprehensive approach to area improvement. These projects have the capability of contributing to fundamental change to the character of a targeted area. Points will be awarded to applicants whose projects contribute to the revitalization of existing areas.

In order to score points in this category, applicants will submit a Comprehensive Community Development Plan. Specific points will be awarded based on the chart below. Note that if a plan does not meet the first two requirements, Role of Housing and Implementation Date, then the plan will not qualify for any points in this category.



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	1 Point	2 Points	3 Points	Required Documentation
Role of Housing *	<ul style="list-style-type: none"> Plan makes reference to Housing as a goal 	<ul style="list-style-type: none"> Plan makes reference to Housing as a goal Plan Specifically makes reference to the creation or need for affordable housing or IHCDA CDBG OOR program 	<ul style="list-style-type: none"> Plan makes reference to Housing as a goal Plan Specifically makes reference to the creation or need for affordable housing or IHCDA CDBG OOR program Plan provides evidence of how project is part of a larger revitalization effort 	<p>Page numbers of the plan making reference to:</p> <ul style="list-style-type: none"> Role of Housing Reference to the creation or need for affordable housing or IHCDA CDBG OOR program Part of a larger revitalization effort Narrative about efforts leading to the creation of the plan
Implementation Date *	Plan was created/adopted between 9 -15 years ago	Plan was created/adopted between 4 - 8 years ago	Plan was created/adopted between 0 - 3 years ago	<p>Submit electronic copy of entire completed plan with date of creation or adoption</p> <ul style="list-style-type: none"> Include page number of date of plan and/or adoption documentation
Target Area	Project targets a region or county, the region or county is referenced in the plan	Project targets a city or town, the city or town is referenced in the plan	Project targets a neighborhood or specific area, the neighborhood or specific area is referenced in the plan	<p>Map of targeted area</p> <ul style="list-style-type: none"> Please identify project site location



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Plan Components	Plan includes only one of the below components:	Plan includes two of the below components:	Plan includes all of the below components:	Page numbers of the plan making reference to:
	<ul style="list-style-type: none"> • Implementation measures along with specific, current, and ongoing time frames for achievement • An evaluation of current area conditions • Public/community participation and narrative about efforts leading to the creation of the plan 	<ul style="list-style-type: none"> • Implementation measures along with specific, current, and ongoing time frames for achievement • An evaluation of current area conditions • Public/community participation and narrative about efforts leading to the creation of the plan 	<ul style="list-style-type: none"> • Implementation measures along with specific, current, and ongoing time frames for achievement • An evaluation of current area conditions • Public/community participation and narrative about efforts leading to the creation of the plan 	<ul style="list-style-type: none"> • Implementation measures • Current area conditions • Public participation • Narrative about efforts leading to the creation of the plan
Adoption of the Plan	Plan has been adopted by the highest Local Unit of Government			Documentation of formal approval of plan as active by Local Unit of Government (example: city/town council resolution, signed minutes)

*The comprehensive plan must score in the Role of Housing and the Implementation Date categories in order to be considered for subsequent point categories.

In order to receive points under the Comprehensive Community Development scoring sub-category, *the applicant must submit the following in Tab F:*

- An explanation of how this project is part of a larger revitalization effort should be explained in the Project Narrative section of the application. You should include information regarding target size, a plan, the efforts already completed or underway, local support for this and other projects in the revitalization efforts, funding commitments, what is the intended impact and how impact will be measured, etc.
- All other required documentation that must be submitted in order to receive points in this category are indicated in red font in the chart directly above. Page numbers in the application are required in order to receive points.

The following will not be considered for points as eligible plans for this category: short-term work plans, consolidated plans, municipal zoning plans, or land use plans, plans that are older than fifteen years old and plans that do not reflect the current target area conditions.

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- Target Area - Submit a scaled map that includes the project area boundaries and the specific site(s) with a map key labeling the site address(es). Clearly label the boundaries and indicate the size of the target area. Attach in Tab F.
- Evidence of Adoption - Submit a copy of the resolution by the Local Unit of government adopting the plan. Attach in Tab F.

4) *Services*

Maximum Number of Points: 12

Points will be awarded to applicants whose projects contribute to the overall quality of life for the beneficiaries of the proposed OOR project. Points will be awarded based on the chart below.

Level of Services	Points Possible
Level 1 Services: Up to three services at one point each.	3
Level 2 Services: Up to three services at two points each.	6
Level 3 Services: Up to four services at three points each.	12

In order to receive points for this scoring category, the applicant must submit in Tab G:

- **One** Form A: One Homeowner Investment Plan Matrix listing all services for the entire proposed OOR program (found at the end of this Application Package);
- Form B: Homeowner Investment Plan Matrix for **each** service provider with original signatures (found at the end of this Application Package);

Readiness

Category Maximum Points Possible: 10

This category describes the applicant's ability to begin and timely execute an awarded project.

1) *Client Intake*

Maximum Number of Points: 10

Points will be awarded to applicants that have already begun the client intake process, according to the chart below. Client intake means that potential clients have been identified and income verified.

% of Assisted Units	Points
25 - 50% of the units	6
51 - 75% of the units	8
76 - 100% of the units	10

In order to receive points in this category, the applicant must submit:

- *Form D: Client Intake List in Tab H.*

Capacity**Category Maximum Points Possible: 30**

This category evaluates the applicant's ability to successfully carry out the proposed OOR project based on trainings, certifications and/or experience in housing or community development. .

1) *Training**Maximum Number of Points: 5*

Points will be awarded for a member of the development team, applicant, sub-recipient or administrator staff who has completed a housing or community development related training. Two points will be awarded for the first training and one point per additional training, up to five points possible.

- Required IHCDCA Compliance Trainings will not be considered for points in this category.

Application/policy webinars, trainings and feedback sessions do not count for points in this category.

Attach copies of the training completion certificate in Tab I.

Training	Points
Housing or community development related training	2 for the first training, 1 point for each additional training up to 5 points

2) *Certification**Maximum Number of Points: 10*

Points will be awarded for a member of the applicant, sub-recipient or administrator staff who has completed the any of the following certifications. Five points awarded for the Certified Aging-in-Place Specialist certification. Two and a half points will be awarded for all other certifications, up to ten points. Attach copies of the certification completion in Tab I.

Certification	Points
Certification from one of the certifications listed below	5 points for the Certified Aging-in-Place Specialist certification or HOME Sweet HOME: Modifications for Aging in Place (U of I/IHCDA) certification 2.5 points for all other certifications, up to 10 points

Certification	Sponsoring Organization
Project Development Training	Indiana Association for Community and Economic Development (IACED)
Housing Development Finance Professional	National Development Council (NDC)
Community and Neighborhood Revitalization Certificate	NeighborWorks America
Bank of America Neighborhood Builder® Leadership Program	The Center for Leadership Innovation



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Certified Aging-in-Place Specialist	National Association of Home Builders (NAHB)
Home Sweet Home: Modifications for Aging in Place	University of Indianapolis/Indiana Housing and Community Development Authority
CDBG Grant Administration Certification	Office of Community and Rural Affairs, State of Indiana
Green Certification	LEED, NAHB, or equivalent

3) *Experience*

Maximum Number of Points: 5

Points will be awarded for a member of the applicant, sub-recipient or administrator staff with successful experience in administering an IHCD OOR award in the past five years. In order to qualify for points, the awards must be closed out. Please list the award numbers in the application forms.

Experience	Points
Applicant, sub-recipient or administrator staff member with experience administering at least two IHCD awards in the past five years. OR Applicant, sub-recipient or administrator staff has five or more years of experience in the housing development industry.	2 for the first staff member, 1 point for each additional staff member, up to 5 points

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4) *Previous IHCD Award Performance*

Maximum Number of Points: 10

Points will be awarded to an applicant where the applicant, sub-recipient, AND administrator have not had any monitoring findings and who have expended award funds in a timely manner for all IHCD awards in the past three years. Timely expenditure of funds includes lack of award extensions.

Description of Previous Award Performance	Points
Most recent IHCD OOR award had no findings and no concerns. Award must have closed within the last three (3) years.	10
Most recent IHCD OOR award had no findings, but concerns were noted. Award must have closed within the last three (3) years.	8
Most recent IHCD OOR award had only one finding. Award must have closed within the last three (3) years.; OR No OOR experience, but previous IHCD award (different activity) had no findings and no concerns. Award must have closed within the last three (3) years.	6
No OOR experience; previous IHCD award (different activity) had no findings, but concerns were noted. Award must have closed within the last three (3) years.	4
No OOR experience; previous IHCD award (different activity) had only one finding. Award must have closed within the last three (3) years.	2
Does not meet any category above. Examples: <ul style="list-style-type: none"> • More than one finding on previous award • No award closed within last three (3) years • No previous experience with IHCD. 	0

Financing

Category Maximum Points Possible: 10

1) *Public Participation*

Maximum Number of Points: 5

Points will be awarded to applicants whose proposed project has received a firm commitment of other public funds. A “firm commitment” means that the funding does not require any further approvals. “Public funds” include federal, state, or local government funds. This can include funds awarded from other federal or state agencies, the Federal Home Loan Bank, or waivers resulting in quantifiable cost savings that are not required by federal or state law.

- Banked match is excluded from this category.

Points will be awarded based on the Amount of Public Participation Funding/Total Project Costs:

% of Total Development Cost	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	3.5
4.00% to 4.99%	4
Greater than 5.00%	5

In order to qualify for points in this category the applicant must submit in Tab E a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

2) *Leveraging of Other Sources*

Maximum Number of Points: 5

Points will be awarded to applicants whose proposed project has received a firm commitment to leverage other funding sources. A “firm commitment” means that the funding does not require any further approvals. “Other funding sources” include (but are not limited to) private funding, funds from a local community foundation, donations, etc.

- Banked match is excluded from this category.

Points will be awarded based on the amount of Other Funding Sources Leveraged/Total Project Costs:

% of Sources	Point(s)
.50% to .99%	1
1.00% to 1.99%	2
2.00% to 2.99%	3
3.00% to 3.99%	3.5
4.00% to 4.99%	4
Greater than 5.00%	5

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In order to qualify for points in this category the applicant must submit in Tab E a letter from the appropriate authorized official approving the funds. The letter must include (a) a description of the type of approved funding for the proposed project and (b) the amount of funding.

Bonus

Category Maximum Points Possible: 5

The applicant will receive 5 bonus points for answering all questions and turning in all required threshold and scoring documentation. Threshold documentation includes all scoring support documentation.

Glossary of Terms

Below are definitions for commonly used terminology found throughout the IHCD CDBG OOR application policy and forms and applicable to the IHCD CDBG OOR program.

Administrator: A procured entity that will assist carrying out the CDBG OOR program.

Area Agency on Aging: Area Agencies on Aging (AAAs) deliver services to older adults and people with disabilities of any age and their caregivers. They provide Information about resources and service providers, assess needs for service, make referrals to case managers, link to services, monitor consumer satisfaction and adjust services to meet changing needs. Learn more on their association website at www.iaaa.org

Aging in Place: Making a living environment safe and adaptable so that everyone can remain independent and continue to thrive in their homes and community even as circumstances change.

Beneficiary: The household or unit that received homeowner repair work as a result of the CDBG OOR grant.

CAPS: Certified Aging in Place Specialist (CAPS) is a certification offered by the National Association of Home Builders (NAHB). As defined by the NAHB: The CAPS designation program teaches the technical, business management, and customer service skills essential to competing in the fastest growing segment of the residential remodeling industry: home modifications for the aging-in-place. More information is available on NAHB's website at www.nahb.org.

CDBG: The Community Development Block Grant (CDBG) program is a federally funded program that provides states and communities with resources to address a wide range of unique community development needs. The CDBG program provides annual grants on a formula basis to 1209 general units of local government and States. The Indiana Housing and Community Development Authority (IHCD) is a State Administered CDBG program. The IHCD allocates awards in the form of grants to Local Units of Government that carry out CDBG OOR projects.

Children: Children are defined as those persons ages 18 years of age or younger. The child must reside in the home that will benefit from the OOR program.

Comprehensive Community Development: Every community strives to be a place where people choose to live, work, and play. Comprehensive development means that a community's potential lies in the identification and creation of a shared vision, planned by local leadership, and carried out by an array of partners. When successful, it yields results beyond what can be achieved by individual organizations or disparate programs because of the unique synergy they generate. A thriving community is a community with job opportunities, strong schools, safe neighborhoods, a full range of housing choices, and a vibrant culture. Comprehensive development marshals resources and deploys coordinated strategies in a concentrated area to create opportunities for others in the community to take prudent risks and reap the rewards. The demolition of blighted structures, the rehabilitation of long-vacant housing and the

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creation of new community amenities and retail opportunities serve as a tipping point for future development through market forces.

Disabled: The Fair Housing Act defines disability as a person who has/is:

- A physical or mental impairment which substantially limits one or more of such person's major life activities; or
- A record of having such an impairment; or
- Is regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act).

Elderly: A person 55 years of age or older. This target population category also includes families with a person living in their home that is 55 years of age or older and modifications to the home are needed so this person may age in place in the home benefitting from the OOR program with the family.

Energize Indiana: Energizing Indiana is a united effort by the Indiana Office of Utility Consumer Counselor (OUCC), participating utilities, and consumer organizations to offer comprehensive energy efficiency programs that bring savings to communities across the state. With programs for homes, schools, businesses and commercial facilities, Energizing Indiana provides the education and tools you need to improve efficiency and conserve energy. Learn more about this effort on their website at www.energizingindiana.com

Entitlement Community: The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

IHCDA: Indiana Housing and Community Development Authority

Income Limits: Maximum incomes as published by HUD for projects giving the maximum Income Limits per unit for beneficiary (30%, 40%, 50%, 60% and 80% of median) units.

Inspection: A scheduled visit made by an Inspector to the households units that received IHCDA CDBG OOR grant dollars. All IHCDA-assisted households/units that have received CDBG and CDBG-D must be inspected twice during the award period. The first inspection will occur at the completion of the documented scope of work and prior to the IHCDA Inspector's final physical inspection. The second inspection will be conducted upon completion of the construction for the award. The IHCDA Inspector will conduct the physical inspections.

Leverage: Ten percent (10%) minimum contribution to the Community Development Block Grant program. Refer to the [CDBG and HOME Program Manual](#) for a list of eligible and ineligible sources of leverage. The leverage requirement is based on a percentage of the award amount less administration and environmental review costs.

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Median Income: A determination made through statistical methods establishing a middle point for determining Income Limits. Median is the amount that divides the distribution into two equal groups, one group having income above the median and one group having income below the median.

MOU: A Memorandum of Understanding (MOU) is a [document](#) describing a [bilateral](#) or [multilateral](#) agreement between two or more parties.

Narrative: A written description by the applicant that describes the application question and generally supports the need of the project.

OOR: Owner-Occupied Rehabilitation

Project: The CDBG OOR activity proposed in the application.